

## **complaint**

Mr K complains about the way Be Wiser Insurance Services Ltd has administered his motor insurance policy and about the outstanding balance he has to pay upon its cancellation.

## **background**

Mr K arranged a motor insurance policy through Be Wiser. He was sent the policy documents. Some months later he said that the address and postcode recorded were incorrect. Be Wiser amended its records and asked for an additional premium.

Be Wiser also asked Mr K to provide further information about his driving history. About five months after the policy started Be Wiser became aware that Mr K's No Claims Bonus ("NCB") was only four years not the nine he had stated, he had been involved in a claim and that his occupation had changed. It asked for additional premiums to reflect these charges.

A few weeks later Mr K advised Be Wiser that the registration mark of his vehicle was also incorrect and a few days later Be Wiser was contacted by the police after Mr K had been involved in a minor accident. The police said that one letter in the registration mark was incorrectly recorded. Be Wiser amended its records and confirmed that the vehicle was insured and it would provide cover for the incident. Consequently Mr K was not convicted of an IN10 offence. Mr K also advised Be Wiser that he had changed address and it asked for an additional premium to reflect these amendments.

About a month later Mr K cancelled his policy. Be Wiser says that there is now an outstanding balance owing for the balance of the premium. Mr K is unhappy that Be Wiser incorrectly recorded his address and other details and he does not agree that he owes anything to Be Wiser. He also wants compensation for its administration of his policy. Be Wiser says in summary that it has followed Mr K's instructions and he had an obligation to check the documents sent to him and advise it of any incorrect information.

## *our adjudicator's view*

Our adjudicator recommended that the complaint should be upheld. In summary he considered that:

- Be Wiser had failed to provide any evidence to demonstrate what Mr K disclosed at the start of the policy about his risk address or vehicle registration and it cannot show he gave incorrect information. As such it has acted unfairly and unreasonably by adding additional premiums to his policy as it has been unable to justify its reasons for doing so.
- Mr K was asked to pay the incorrect premium to reflect his correct details. The premium breakdown at the new business stage shows the correct address and vehicle details. It also states the premium as being the same as that charged at the start of the policy. He can find no reason why Mr K was asked to pay the additional higher premiums or how they were calculated.
- The incident Mr K was involved in was included in the premium calculation and this is unfair and unreasonable in a mid term adjustment. He is also not satisfied that it was calculated correctly or that there is justification for the additional premium applied.

- Mr K was asked for the incorrect premium on a number of occasions and this has caused him distress and inconvenience.
- Be Wiser should therefore remove the outstanding balance on the policy and only charge Mr K the initial premium he was required to pay at the start due to the ongoing claim. It should also refund to him any excess over this amount he has paid and refund any cancellation fee he has paid when cancelling his policy together with simple interest on these sums at the rate of 8% a year. It should also pay him £200 in recognition of the distress and inconvenience caused.

Be Wiser did not agree. In summary it says that:

- It administered Mr K's policy on the details given including the post code and vehicle registration. The address used matched the address shown on the copy of Mr K's driving licence he sent in a few months later. The policy documents reflecting this information were sent to Mr K.
- Five months after the policy started Mr K's representative called to change his address. The address and details would have been read back to him and spelt out phonetically. It also gave new quotations to reflect the lower NCB, change of address and changed occupation.
- Some six months after the policy started Mr K advised it that the vehicle's registration mark was incorrect. But it was not told that the vehicle details and make were incorrect until contacted by the police when it was apparent that a letter in the registration mark was recorded incorrectly and the wrong vehicle had been insured
- for six months. It did not understand how Mr K could have obtained his road fund licence for his actual vehicle with the insurance certificate provided with the incorrect details.
- It is not obliged to record all calls and it cannot be shown that Mr K gave the correct information from the outset. It is likely that the address it used was supplied by him. If the correct details had been provided the premium offered would have reflected the premium due following the cancellation of his policy. All the details would be confirmed with Mr K.
- It is not the underwriter of the policy and is not involved in premium calculation. The premiums are calculated on real time pricing and were systematic based. The premiums vary. It does not calculate mid-term adjustments and had not taken the accident into account.
- The online quotation was completed by Mr K with his details and information. But it was incomplete and no cover was offered. Mr K obtained a different policy from the quotation online.
- It has acted fairly providing a private car policy on the information given which was confirmed with Mr K or his representative. Mr K also has a responsibility to read all documentation and advise if there are any discrepancies. When advised of amendments it acted promptly and it also helped him by liaising with the police and insurer.

### *my provisional decision*

After considering all the evidence, I issued a provisional decision on this complaint to Mr K and to Be Wiser on 12 August 2014. Subject to any further representations by Mr K or Be Wiser, my provisional decision was that I was minded not to uphold the complaint.

Be Wiser accepted my provision decision but Mr K did not. In summary Mr K and his representative say that my provisional decision is unlawful, unreasonable, irrational and discriminatory. They say Mr K had a nine year NCB as is proved by a document from his new insurer. He refused to accept the increased premium when he changed his address and was entitled to cancel the policy. He disputes the amount and application of the additional premium.

### **my findings**

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

Where the evidence is incomplete, inconclusive, or contradictory (as some of it is here), I reach my decision on the balance of probabilities – in other words, what I consider is most likely to have happened in the light of the available evidence and the wider circumstances.

Be Wiser is not the insurer and it does not calculate premiums. The premiums were system based and set by the insurer which is entitled to decide for itself how it calculates a premium, the factors it takes account of in doing so and the weight it gives to each factor. These factors may well have included Mr K's address and postcode, his vehicle's make and model and his occupation. These are examples of an insurer exercising its commercial judgement. Once Be Wiser became aware of the changes to Mr K's details and information I find it was entitled to determine if Mr K's premium would be increased by the insurer and advise him if it required an additional premium.

As such if Mr K is unhappy with the premium he was quoted or the additional premiums that were applied to his policy he should raise these issues directly with the insurer in the first instance. I cannot deal with such issues in this complaint. In any event if Mr K considered that the premiums quoted by Be Wiser at any time were too high he was free to seek out lower quotations from other motor insurance providers, if he wished to do so.

Be Wiser says that Mr K appears to have obtained about five quotes online from it before he called and these related to two different vehicles. Be Wiser cannot provide a record of all these quotes due to the passage of time which is not unreasonable. But the one it has provided shows an incomplete entry of information by Mr K and some of the entries made are different to the information later recorded when he took out the policy on the phone. Be Wiser says, and I accept, that it never offered cover on the basis of this online quote and the policy he took out on the phone was different to the online quote.

It is impossible now to determine what was said in Mr K's initial call with Be Wiser. It is not obliged to keep a recording of this call and has not done so. But it has provided a template script used by its operatives in such calls. I am satisfied on balance from this and its submissions that it would most likely have checked all the information provided by Mr K, read it back to him and phonetically spelt out the vehicle's registration mark and his postcode.

Be Wiser sent Mr K the policy documentation. Mr K subsequently said some months later that some of the information recorded on it was wrong. But in all the circumstances I am not persuaded on balance that Be Wiser made a mistake and incorrectly recorded the information he gave it including about his address, postcode and vehicle type and registration mark. Not only would Be Wiser have checked the information with him and spelt out the registration and postcode phonetically but the address and postcode it recorded match the information on his driving licence (a copy of which was supplied by him a few months later).

I also consider that Be Wiser acted reasonably over the five months following the start of the policy in seeking further information from Mr K about his NCB and driving history. It eventually ascertained that he in fact had a four year NCB not a nine year one as he had declared, that he had actually been involved in a claim and that his occupation had changed. Mr K and his representative also advised Be Wiser of changes to Mr K's address.

Furthermore, at the start of the policy and on each subsequent change of information Be Wiser sent Mr K policy documentation and asked him to read it and advise it if any of the information was incorrect. But Mr K does not appear to have advised Be Wiser of any inaccuracies. The fact that the vehicle registration mark contained one incorrect letter was not raised until about six months after the start of the policy around the time Mr K was involved in an accident.

I consider that Be Wiser acted appropriately in allowing Mr K extra time to obtain proof of his NCB from an overseas insurer and assisting him in resolving the registration mark issue including liaising with the police, the insurer and confirming it would, notwithstanding this error, honour the policy and provide cover. As a result Mr K also appears to have avoided receiving an IN10 conviction.

Mr K's dealings with the police and Be Wiser may well have caused him some additional upset and inconvenience but I am not persuaded that it would be fair or reasonable to require Be Wiser to compensate him for this. Furthermore Mr K had an obligation to read his policy documents and advise Be Wiser if there were any errors. Had he done so and/or provided accurate information from the outset he could have mitigated any upset caused.

I have taken note of and considered Mr K's submissions in response to my provisional decision. But they have not persuaded me to change my view. Mr K says that a document from his new insurer proves he has a nine year NCB. But the document he has provided says it is an *"illustration only and is not valid. We will send you your valid policy schedule once you have purchased the policy"*. I am not therefore persuaded that this document proves Mr K has a nine year NCB. Mr K may also have refused to accept the additional premium applied when he changed his address but that does not mean that the insurer was not entitled to apply it. He also had the right to cancel the policy if he wished but I am not persuaded that the premium calculated and applied by the insurer was incorrect or not properly owing. In any event the calculation of a premium is not a matter for Be Wiser - it is a matter for the actual insurer. If he wishes to challenge the premium applied or its amount Mr K should raise this matter with the insurer in the first instance.

Overall, I am not persuaded that Be Wiser has done anything wrong and I do not consider I can reasonably or fairly require it to reduce, remove or refund any premium and/or pay any compensation to Mr K.

My role as an ombudsman is to consider the individual complaint and decide whether something has gone wrong. But a court may take a different view of the situation. Should Mr K not accept my final decision then any rights he may have to take action in the courts against Be Wiser are unaffected and he will be free to pursue his arguments in any court action that may arise, if he so wishes.

**my final decision**

My final decision is that I do not uphold this complaint and I make no order against Be Wiser Insurance Services Ltd.

Stephen Cooper  
**ombudsman**